

**RESOLUTIONS OF THE BOARD OF DIRECTORS OF
THE RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION**

Dated: May 18, 2009

(With Respect to United Natural Foods, Inc. Project)

P R E A M B L E:

WHEREAS, the Rhode Island Economic Development Corporation (the "Corporation") Board of Directors on October 27, 2008 approved the United Natural Foods, Inc. Project as a project of the Corporation;

WHEREAS, subsequent to October 27, 2008, R.I.G.L. §42-64-20 (Exemption From Taxation) was amended to provide that the Corporation may approve its projects without the approval of the General Assembly, provided that certain economic analysis and conditions are provided; and

WHEREAS, the Corporation's Board of Directors desires to re-approve the United Natural Foods, Inc. Project in conformance with revised R.I.G.L. §42-64-20.

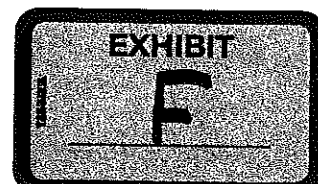
NOW, THEREFORE, the Board of Directors of the Corporation hereby votes as follows:

VOTED: That the Corporation, acting by and through its Chairman, Executive Director, Interim Executive Director or any Deputy Director or its Secretary, each of them acting singularly and alone (the "Authorized Officers") hereby is authorized to enter into certain agreements with United Natural Foods, Inc. (hereinafter referred to as the "Company"), or any affiliate thereof, with respect to its development of a corporate headquarters facility located in Providence, Rhode Island, such development of such corporate facilities, and jobs created thereby, and in no event creating less than 205 jobs which will exceed 105% of the state median wage in Rhode Island (the development of the Company's facilities is hereinafter referred to as the "Project") in substantial conformance with the Economic Impact Analysis ("EIA") attached hereto, or as otherwise presented this date.

VOTED: The Corporation, acting by and through its Authorized Officers hereby is authorized to enter into, execute, deliver and perform certain agreements including but not limited to development agreements, leases, and subleases and any amendments or restatements thereto as deemed necessary and appropriate by said Authorized Officers with the Company and its affiliates in order to implement the Project.

VOTED: That with respect to the Project the Corporation hereby makes, acknowledges, determines and finds that:

1. The acquisition, construction and operation of the Project will prevent, eliminate, reduce unemployment in the State of Rhode Island and will generally benefit the economic development of the State of Rhode Island;



2. Adequate provision has been made or will be made for the payment of the cost of the acquisition, operation and maintenance and upkeep of the Project;
3. With respect to real property forming a portion of the Project, the plans assure adequate light, air, sanitation and fire protection;
4. The provisions of Chapter 46-23 of the General Laws of Rhode Island, 1956, as amended, are not applicable;
5. The Project is in conformity with the applicable provisions of the State guide plan.
6. The Corporation determines and confirms that the Project shall be exempt from taxation in accordance with R.I.G.L. §42-64-20 to the same extent as if legal title to such portions of the Project which are not owned or held in the name of the Corporation were in fact owned or held in such manner and such exemption from taxation shall be for a term for each phase of the Project not to exceed three (3) years from the issuance of a certificate of occupancy for such phase of the Project; and
7. All such findings, determinations, acknowledgments and positions of the Corporation with respect to the Project are based upon and made in order to reduce potential liability or cost to the Corporation and to benefit the people of the State of Rhode Island.

VOTED: That the Corporation is authorized and empowered to prepare and publicly release an analysis of the impact the Project may have on the Rhode Island economy and fiscal impact in accordance with R.I.G.L. §42-64-10.

VOTED: That the Project documents authorized hereby are necessary, desirable and in the best interest of the Corporation with respect to the furtherance of the Project, and, as such, each of the Authorized Officers is hereby directed, authorized, empowered to arrange for, secure, prepare or cause to be prepared, execute, perform and deliver in the name and on behalf of the Corporation the Project documents and/or all related and ancillary agreements and documents in connection with the Project including but not limited to any and all deeds, leases, agreements, transfer agreements, assumption agreements, promissory notes, trusts, indentures, financing statements, assignments of leases and rents, declarations, modifications, renewals, variations thereof, deeds, easements, licenses, all upon such terms and conditions and with such changes, additions, deletions, supplements and amendments thereto as the Authorized Officer executing or authorizing the use of the same shall determine to be necessary, desirable and appropriate and in the best interest of the Corporation.

VOTED: That with respect to the Project and the Project documents, any and all actions taken by the Corporation in furtherance of such Project and Project documents, taken at any time prior to the effective date hereof, such actions be and they hereby are, authorized, ratified, confirmed and approved.

VOTED: In connection with any and/or all of the above resolutions, the taking of any action, the execution and delivery of any instrument, document or agreement by any of the Authorized Officers, or the execution and delivery of any statement by the Chairman or Vice Chairman of the Corporation in connection with the implementation of the Project and the Project documents, or the implementation of any or all of the foregoing resolutions shall be conclusive of such Authorized Officer's or Chairman's or Vice Chairman's determination that the same was necessary, desirable and appropriate and in the best interest of the Corporation.

VOTED: That the Authorized Officers of the Corporation be, and each of them hereby is, authorized, empowered, and directed in the name and on behalf of the Corporation, each of them acting singularly and alone, to take or cause to be taken all such actions, pay such fees and expenses, and sign, execute, verify, acknowledge, certify to, file and deliver all such instruments, documents and agreements as such Authorized Officers, each of them acting singularly and alone, taking or causing such action to be taken determines to be necessary, desirable and appropriate and in the best interest of the Corporation in order to comply with and otherwise effect the intent of the foregoing resolutions.

VOTED: That the Secretary of the Corporation is hereby authorized, empowered and directed to attest to the execution and delivery of any agreement, document or other instrument contemplated by any of the foregoing resolutions or as directed by either or all of the Authorized Officers.

Draft May 12, 2009

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION ECONOMIC ANALYSIS OF UNITED NATURAL FOODS, INC. EXPANSION FOR JOB DEVELOPMENT ACT PURSUANT TO R.I.G.L. § 42-64.5-5

As required by §42-64.5-5 of the Rhode Island General Laws, the Rhode Island Economic Development Corporation ("EDC") has prepared the following economic analysis of the expansion of United Natural Foods, Inc. in Rhode Island.

For the purpose of this analysis "Full time jobs with benefits" are defined as per RIGL 42-64-20: "*Full time jobs with benefits means jobs that require working a minimum of thirty (30) hours per week within the state with a median wage that exceeds by five percent (5%) the median annual wage for the preceding year for full-time jobs in Rhode Island as certified by the department of labor and training with a benefit package that is typical of companies within the lessee's industry*".¹

United Natural Foods, Inc. is the largest publicly traded wholesale distributor to the natural and organic food industry. Carrying more than 40,000 products, the company supplies over 17,000 customers nationwide and services a wide variety of retail formats, including super natural chains, independent natural products retailers and conventional supermarkets. Currently located in Dayville, Connecticut, United Natural Foods, Inc., will be leasing 52,560 sq. ft. of office space at 555 Valley Street in Providence, Rhode Island for a minimum of ten years in order to accommodate a consolidation of corporate headquarter functions.

United Natural Foods, Inc expects to invest a total of \$4.1 million in this new Rhode Island facility. The planned \$4.1 million investment includes \$3.4 million in construction costs and \$1 million of FF & E. The estimated value of sales tax abatement on this project is **\$189,574**.

The company anticipates that employment will increase to 260 full-time employees over the next three years (205 of which will be over 105% of State Median wage), with about 157 employees at the opening of the new headquarters (of which 123 fit the criteria of this analysis) and another 103 full-time jobs by calendar year 2011. These jobs result in annual personal income tax revenue of **\$455,517** and payroll of over **\$17.5 million**.

It is estimated that the 205 direct full time jobs that meet the criteria for this analysis will result in **\$1,366,551** in new income tax revenue to the state over the first three years of operation. In addition, it is estimated that the construction of the new facility will result in 41 FTE construction jobs bringing the state an estimated **\$48,175** in income tax².

United Natural Foods, Inc does not currently have nexus in Rhode Island and therefore, did not have a Rhode Island corporate tax liability. It is estimated that the company's future taxable income will be just over \$4 million. Under the act the company has three years to add jobs in order to maximize the rate reduction. Based on the RI law § 42-64.5 and the current projections, United Natural Foods Inc. expects that they will have added enough jobs at or above the 150% hourly minimum state wage requirement³ to lower their corporate income tax rate from the statutory 9% to 6.0% by 2011. This would result in an estimated future Rhode Island corporate tax liability of \$242,019.

Because United Natural Foods, Inc. does not currently have nexus in Rhode Island and because they did not have any Rhode Island Corporate income tax liability **the use of the Job Development Act would be revenue neutral.**

¹ According to the RI Department of Labor and Training OES data for 2008, the median hourly wage is \$19.05 (\$39,624).

² Construction wage used in analysis is \$42,099.

³ RI minimum wage is \$7.40/hour (150% - \$11.10, or \$23,088/year).

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Annual Income Tax From New Direct Employment	\$455,517
Net increase in RI Corporate Income Tax	\$242,019
Total Annual New Revenue by 2011:	\$697,536

United Natural Foods, Inc. Job Growth 2009-2011					
Time Period		Jobs	Average Salary	Total Annual Payroll	RI Annual Income Tax
2009	Direct Jobs	9	\$26,773	\$240,955	\$4,277
2009	Direct Jobs	25	\$35,203	\$880,067	\$24,175
2009	Direct Jobs (>105% State Median Wage)	25	\$44,021	\$1,100,516	\$30,825
2009	Direct Jobs (>105% State Median Wage)	20	\$54,235	\$1,084,692	\$22,940
2009	Direct Jobs (>105% State Median Wage)	16	\$64,407	\$1,030,507	\$26,784
2009	Direct Jobs (>105% State Median Wage)	19	\$73,791	\$1,402,028	\$38,646
2009	Direct Jobs (>105% State Median Wage)	16	\$84,417	\$1,350,676	\$37,412
2009	Direct Jobs (>105% State Median Wage)	4	\$104,450	\$417,799	\$14,010
2009	Direct Jobs (>105% State Median Wage)	17	\$131,047	\$2,227,793	\$84,041
2009	Direct Jobs (>105% State Median Wage)	6	\$290,886	\$1,745,314	\$98,271
2009	TOTAL Direct Jobs (105% state median wage only)	123	\$84,222	\$10,359,325	\$352,929
2010	Direct Jobs	11	\$27,803	\$305,829	\$5,654
2010	Direct Jobs	28	\$37,525	\$1,050,689	\$27,384
2010	Direct Jobs (>105% State Median Wage)	28	\$46,324	\$1,297,074	\$37,996
2010	Direct Jobs (>105% State Median Wage)	23	\$56,853	\$1,307,618	\$29,176
2010	Direct Jobs (>105% State Median Wage)	18	\$65,350	\$1,176,305	\$31,059
2010	Direct Jobs (>105% State Median Wage)	22	\$75,940	\$1,670,687	\$47,300
2010	Direct Jobs (>105% State Median Wage)	17	\$89,167	\$1,515,834	\$45,402
2010	Direct Jobs (>105% State Median Wage)	5	\$114,238	\$571,188	\$20,938
2010	Direct Jobs (>105% State Median Wage)	20	\$132,426	\$2,648,523	\$100,803
2010	Direct Jobs (>105% State Median Wage)	6	\$314,157	\$1,884,939	\$110,837
2010	TOTAL Direct Jobs (105% state median wage only)	139	\$86,850	\$12,072,168	\$423,511
2011	Direct Jobs	14	\$28,086	\$393,210	\$7,322
2011	Direct Jobs	41	\$37,765	\$1,548,385	\$40,467
2011	Direct Jobs (>105% State Median Wage)	40	\$46,080	\$1,843,211	\$53,740
2011	Direct Jobs (>105% State Median Wage)	34	\$56,407	\$1,917,840	\$41,786
2011	Direct Jobs (>105% State Median Wage)	26	\$65,807	\$1,710,990	\$45,487
2011	Direct Jobs (>105% State Median Wage)	32	\$76,573	\$2,450,341	\$60,283
2011	Direct Jobs (>105% State Median Wage)	26	\$87,452	\$2,273,752	\$66,317
2011	Direct Jobs (>105% State Median Wage)	8	\$107,098	\$856,783	\$29,503
2011	Direct Jobs (>105% State Median Wage)	31	\$134,257	\$4,161,964	\$160,218
2011	Direct Jobs (>105% State Median Wage)	8	\$293,315	\$2,346,516	\$132,776
2011	TOTAL Direct Jobs (105% state median wage only)	205	\$85,665	\$17,561,397	\$590,111

United Natural Foods Inc. has indicated a desire to hire from within the community and will make efforts with respect to job recruitment in Rhode Island in some of the following ways: listing job openings with the Rhode Island Department of Labor and Training, and outreach efforts to ensure qualified Rhode Island

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residents are aware of job openings. The company provides health insurance for its employees. The company also provides on an optional basis: life, long and short-term disability, dental insurance. The company also offers an IRS sanctioned tax-free flexible spending benefit program.

ASSUMPTIONS AND METHODS

Rhode Island Personal Income Tax

Direct jobs: For Salaries under \$50,000, tax is calculated assuming half single and half married filers. Assumption is that they take 1.5 exemptions, taking the standard deduction. For Salaries over \$50,000 estimates are based on IRS SOI data for average itemized deductions for Rhode Island Filers in each income category.

Rhode Island Personal Income Tax on added Construction Employment

Total construction payroll is estimated at \$1,726,057. Using median wage rates for construction (\$42,099), Rhode Island tax figures are calculated based on half single and half married filers, with 1.5 exemptions, taking the standard deduction.

Statutory Summary

- (i) This project will result in the addition of 260 full-time jobs (205 of which fit the legal criteria of paying over 105% of State's median annual wage) in the wholesale corporate headquarters sector.
- (ii) State personal income tax revenue from the direct jobs is estimated at \$475,829 annually. Construction payroll associated with this expansion is estimated to result in \$48,175 in personal income state tax revenue. The revenue estimates from direct jobs exceed the estimated sales tax abatement, further without this project; the expenditures being exempted from sales tax would not take place. The State will not lose any sales tax revenue currently being collected as a result of this project.
- (iii) Financial exposure of the taxpayers of the state under the plans for the proposed project and negative foreseeable contingencies that may arise there from: none.
- (iv) The project will add approximately 260 direct jobs (205 full time jobs over 105% annual median wage), and \$1.7 million of construction payroll. Using median annual wages for the construction industry, it is estimated that the construction payroll will support 41 FTE construction workers.
- (v) The jobs identified will draw workforce from the Southern New England region.
- (vi) Construction will take place during the first 12 months of the project.
- (vii) Wage rates for the direct jobs range from \$26,773 to \$314,157 with a projected mean wage of \$75,012. Construction wages are expected to have the statewide median hourly rate for construction labor of \$20.24, as provided by the Rhode Island Department of Labor and Training.

RIDLT Occupational Employment Statistics

SOC CODE	OCCUPATION	ESTIMATED EMPLOYMENT	MEAN WAGE	ENTRY WAGE	MEDIA N WAGE	EXPERIENCE D WAGE
47-0000	Construction & Extraction Occupations	21,010	\$21.37	\$16.13	\$20.24	\$25.94

- (viii) United Natural Foods, Inc. employment will include the following major benefits:
 - A. Health Insurance: Anthem BlueCross BlueShield/ PPO (three choices)
 - B. Dental Insurance: Delta Dental (two choices)
 - C. Short-Term Disability Ins.
 - D. Long-Term Disability Ins.
 - E. Basic Life & AD &D insurance
 - F. Flexible Spending Accounts
 - G. Employee Discount Program
 - H. Tuition Reimbursement

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- (ix) It is projected that this project will result in annual personal income taxes of \$475,829 from the direct jobs. During the construction period it is estimated that the construction jobs will add \$48,175 in personal income taxes to the state.
- (x) United Natural Foods, Inc. has indicated a desire to hire from within the community and will make efforts including but not limited to: job recruitments in Rhode Island, listing all job openings with the Rhode Island Department of Labor and Training, and outreach efforts to ensure all qualified Rhode Island residents are aware of job openings.